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FISCAL IMPACT REPORT



SPONSOR: Hamilton DATE TYPED: 01/23/02 HB 210

SHORT TITLE: Increase Annual Earning Cap for Retirees SB _____

ANALYST: Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		NFI			PERA Trust Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to: SB144

SOURCES OF INFORMATION

LFC Files
Public Employees Retirement Association (PERA)

SUMMARY

Synopsis of Bill

House Bill 210 amends Section 10-11-8 NMSA 1978 to allow Public Employees Retirement Association (PERA) retirees to return to work for any PERA affiliated public employer and earn up to \$25,000 per year without suspension of their retirement benefits. Reemployed retirees, however, would not accrue additional service credit for such employment.

Significant Issues

The current earning limit for PERA retirees returning to work for a PERA affiliated employer is \$15,000 per year. This bill would give state and local governmental entities greater flexibility in hiring PERA retirees.

FISCAL IMPLICATIONS

According to PERA's actuary, increasing the PERA earnings amount up to \$25,000 per calendar year from the current \$15,000 would have minimal impact on their fund.

ADMINISTRATIVE IMPLICATIONS

Passage of this bill would require PERA to revise their board procedures and update member/retiree information packets.

TECHNICAL ISSUES

PERA believes that HB 210 **would not** violate the Constitution of New Mexico, Article XX, §22(E), which prohibits modifications to public employment retirement systems that do not enhance or preserve the actuarial soundness of the affected trust fund.

LG/ar